

Durham City Council Work Session  
Thursday, August 19, 2004 - 1:00 P.M.  
Committee Room - 2<sup>nd</sup> Floor - City Hall

**SUBJECT: PUBLIC DISCLOSURE REGARDING UDI COMMUNITY DEVELOPMENT CORPORATION**

City Manager Conner recognized Interim Housing Director Constance Stancil who made the following comments:

The Department of Housing and Community Development would like to make a public disclosure regarding the UDI Community Development Corporation recommended CDBG-funded activity for the 2004/2005 fiscal year in an amount not to exceed \$55,000.

The Mayor of the City of Durham is employed in a full-time salaried position as Executive Vice President of UDI Community Development Corporation, a North Carolina nonprofit corporation, whose purposes include raising the economic welfare, employment, business enterprise, affordable housing, and educational opportunities of low income and underprivileged residents of Durham, with a focus on African American and other minority persons.

On January 14, 2004, the City of Durham requested in writing that HUD grant an exception to the provisions of 24 CFR 570.611, so that the City could enter into a contract with UDI to use CDBG funds to establish and operate a Small Business Incubator program for low income, economically distressed area of the City. HUD granted the City an exception to the provisions of 24 CFR 570.611 in 2004, and the City and UDI entered into an agreement to use CDBG funds to support the operation of the Small Business Incubator program during fiscal year 2003/2004.

The Small Business Incubator program administered by UDI is a very successful program and has proven to be a valuable asset to the City and residents of Durham. Housing and Community Development staff regularly monitors the program, including site visits to verify that the nonprofit is following CDBG guidelines and terms of the contract.

The City is again considering entering into a contract with UDI to use CDBG funds to continue the support of the Small Business Incubator program during the 2004/2005 fiscal year. City Council and HUD approved the UDI activity as part of the 2004/2005 Annual Action Plan process. The Housing Department has reviewed the proposal of UDI and determined that the program is an eligible activity under the guidelines of the CDBG Program. However, the City

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must again comply with the requirements under 24 CFR 570.611, which addresses "Conflict of Interest".

William V. "Bill" Bell, Mayor of Durham would not execute the contract on behalf of UDI, nor would he be involved in administering UDI's performance of the contract. Additionally, neither the Mayor's salary nor position would be affected by the contract.

The Small Business Incubator has been designed to accommodate up to 23 small business operations. Currently, there are 14 start-up businesses operating out of the UDI Business Incubator. In addition to providing low-cost office space for new entrepreneurs, the Business Incubator provides a conference room, electronics and technical services and support programs for each tenant. The support programs include low to no cost professional assistance, seminars, and business training sessions.

UDI serves a segment of the population in Durham that would in all likelihood not have the benefit of this type of business development program if it were not created and implemented by this organization. Also, UDI has the expertise and proven experience in business development for low-income persons.

**SUBJECT: APPROVAL OF THE ECONOMIC AND HISTORIC COMMEMORATION  
PLAN FOR PARRISH STREET**

Economic Director Alan DeLisle made a presentation on this item.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to suspend the rules of the City Council and take action on the above-mentioned subject was approved at 3:50 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to approve the Parrish Street action plan entitled "Final Report: A New Era on Parrish Street"; and

To authorize the Office of Economic and Employment Development to begin implementation of the strategies recommended within the report was approved at 3:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

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**SUBJECT: GRANT PROJECT ORDINANCE - U. S DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT ECONOMIC DEVELOPMENT INITIATIVE  
PLANNING GRANT - HISTORIC PARRISH STREET**

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to suspend the rules of the City Council and take action on the above-mentioned subject was approved at 3:50 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Catotti to authorize the City Manager to accept the U. S. Department of Housing and Urban Development Economic Development Initiative - Special Projects, FY 2005 Parrish Street Revitalization grant by executing the grant documents; and

To adopt the Grant Project Ordinance for U. S. Department of Housing and Urban Development Economic Development Initiative planning grant funds for Historic Parrish Street in the amount of \$198,820; and

To authorize the City Manager to modify the grant agreement and other documents before execution provided the modifications do not increase the dollar amount and are consistent with the general intent of the grant project ordinance approved by the City Council was approved at 3:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

**Ordinance #13002**

**SUBJECT: FEDERAL AVIATION ADMINISTRATION GRANT OFFER RALEIGH  
DURHAM AIRPORT AUTHORITY**

**MOTION** by Council Member Brown seconded by Council Member Best to suspend the rules of the City Council and take action on the above mentioned subject was approved at 3:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

**MOTION** by Mayor Pro Tempore Cole-McFadden seconded by Council Member Best to accept the Federal Aviation Administration Grant Offer of \$6,729,884

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to expand Terminal C Apron; relocate Taxiway D (Phase 1), FAA AIP Grant Number 3-37-0056-31; and

To authorize the City Manager to execute the grant agreement; and

To authorize the City Attorney to give assurances with respect thereto; and

To authorize the City Manager and City Attorney to make minor changes to the grant agreement was approved at 3:55 p.m. by the following vote: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

D. Ann Gray, CMC  
City Clerk